STATE OF CALIFORNIA
BOARD OF EQUALIZATION

PROPERTY STATEMENT — LOCAL EXCHANGE TELEPHONE COMPANIES

2007

DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION AS OF 12:01 A.M., JANUARY 1, 2007

This statement must be completed, signed, and filed with the Valuation Division, Board of Equalization, PO Box 942879, Sacramento, California 94279-0061, by March 1, 2007. Omit cents; round to the nearest dollar.

NAME, STREET, CITY, STATE and ZIP CODE

SBE No.

OFFICIAL REQUEST

This request is made in accordance with section 826 of the Revenue and Taxation Code. This property statement must be completed according to the instructions and filed with the Board of Equalization on or before March 1, 2007. If you do not file this statement you may be subject to the penalty provided in section 830 of the Revenue and Taxation Code. Attached schedules are considered to be part of the statement. THIS STATEMENT IS SUBJECT TO AUDIT.

MAKE NECESSARY CORRECTIONS TO ADDRESS LABEL

☐ Indicate if above is a change of name and/or address

THIS STATEMENT SHALL CONSIST OF:		DATE SUBMITTED	DATE TO BE SUBMITTED	N/A
(1) Tangible Property List				
(2) Summary Control				
(3) Statement of Land Changes				
(4) Financial Schedules A to E				
(5) Schedule of Intangible Information				
(6) Schedules of Leased Equipment	BOE-600-A			
	BOE-600-B			
(7) Other Information as Requested *(see instructions on reverse)*				
a. Payments to Local Governments				
b. Statement of Rev/Cost Changes				
c. Annual Rept. to Federal Agencies				
d. Annual Rept. to State Agencies				
e. Form 10K				
f. Shareholders Report — 3 copies				
g. Working Cash Statement				
h. Inventory Data				
i. Other				

Name and address of person to whom correspondence regarding audit should be addressed:

NAME

MAILING ADDRESS *(including zip code)*

TELEPHONE NUMBER
( )

E-MAIL ADDRESS

LOCATION OF ACCOUNTING RECORDS *(street, city, state and zip code)*

NAME OF AUTHORIZED REPRESENTATIVE *(if applicable)* *

ADDRESS *(street, city, state and zip code)*

DAYTIME TELEPHONE NUMBER
( )

E-MAIL ADDRESS

** BOE-892, Statement of Authorization, must be filed annually.*

List business activities: ____________________

(4) ENTITY TYPE: ☐ Proprietorship ☐ Partnership ☐ Corporation ☐ Other Change in ownership prior 12 months? ☐ Yes ☐ No

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that I have examined this property statement, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement at 12:01 a.m. on January 1, 2007. If prepared by a person other than the taxpayer, this declaration is based on all information of which preparer has knowledge.

FULL LEGAL NAME IF INCORPORATED

SIGNATURE OF OWNER, PARTNER, OFFICER, OR AUTHORIZED AGENT	DATE 2007
PRINTED NAME OF SIGNATORY	TITLE
SIGNATURE AND ADDRESS OF PREPARER OTHER THAN TAXPAYER	DATE 2007

FOR OFFICIAL USE ONLY

CONTINUE

Under the provisions of sections 826 and 830 of the Revenue and Taxation Code and section 901, Title 18, California Code of Regulations, the Board of Equalization requests that you file a property statement with this Board between January 1, 2007, and 5:00 p.m., on March 1, 2007. The property statement shall be completed in accordance with instructions included with the property statement and in publication 67-LE, Instructions for Reporting State-Assessed Property, for lien date 2007. If you do not have these instructions, please let us know, and we will mail them to you.

All parts of the property statement must be filed by March 1 (exception — see "N/A" below). Extensions of time for filing the property statement or any of its parts may be granted only on a showing of good cause under a written request made prior to March 1. If you do not file timely, it may result in an added penalty of ten percent of the assessed value as required by section 830 of the Revenue and Taxation Code.

(7) OTHER INFORMATION — INSTRUCTIONS

The following information shall be provided with the property statements:

a. a statement of your 2006 payments to governmental agencies including payments for video and cable TV franchise for the use of public property located in California. Please indicate those payments which are on the basis of agreements entered into prior to December 1955 and which have not been subsequently extended or renewed.

b. a statement of changes in revenue and/or costs for the future that are certain, such as rate increases ordered by the California Public Utilities Commission (CPUC) or other regulatory agencies, or contracts signed by management and labor unions.

c. a copy of your annual report(s) to federal regulatory agencies, such as the Federal Communications Commission (FCC), Interstate Commerce Commission (ICC), etc.

d. a copy of your annual report to the CPUC.

e. a copy of your Form 10K filed with the Securities and Exchange Commission (SEC).

f. three (3) copies of your 2006 annual report to stockholders.

g. a statement of the amount of working cash as determined by a lead-lag study prepared in connection with the latest request for a rate change to the appropriate regulatory commission(s) together with a copy of the study. The date of the rate request should also be stated on the study. If such a study is not available, the best estimate of average working cash may be reported with an explanation of how the amount was determined.

h. a statement of the amount of inventory held for sale or lease in the ordinary course of business. Such inventory should be reported as follows:

   1. Inventory quantity and amount, at book cost, as of January 1, 2007.
   2. The average quantity and amount of inventory, at book cost, on hand during calendar year 2006. These figures may be calculated by averaging the twelve (12) month-end balances.
   3. Exempt inventory (items held for sale or lease in the ordinary course of business) or supplies which will become a component part of a product you manufacture or sell should not be reported on BOE-533-E, *Tangible Property List.*

i. supplemental information as requested.

A positive response is required for all parts of the property statement. If a requested item does not apply, please so state. If you do not respond to all parts of the property statement, you may be subject to the penalties of section 830 of the Revenue and Taxation Code.

N/A — Not Applicable

Forms BOE-600-A, *Schedule of Leased Equipment to Be Assessed by the BOE to the State Assessee (Lessee),* BOE-600-B, *Schedule of Leased Equipment Which Is to Be Reported by Lessor to Local Assessor for Assessment,* and BOE-551, *Statement of Land Changes,* need not be returned if there is nothing to report. However, a positive response under the "N/A" column on page S1F is required for those forms not returned.

You have the option of substituting for Financial Schedules A to E inclusive, copies of schedules of corresponding information as filed in your annual report required by the CPUC, FCC, or SEC for the corresponding period; provided, however, that information regarding depreciation and taxes shall be furnished as called for in the schedules.

Report book cost (100 percent of actual cost). Include excise, sales and use taxes, freight-in, installation charges, finance charges during construction, and all other relevant costs required to place the property in service. Do not reduce costs for depreciation (which must be reported separately). Report separately the details of any trade in value, write-downs of cost, extraordinary damage or obsolescence, or any other information that may help the Board in estimating fair market value.

Note: All replacement cost studies, obsolescence requests, and other voluntary information that assessees believe affects the value of their property must be filed with the property statement or by a date granted by a formal extension. If such information is not filed by that date, staff is not required to consider it in determining its unitary value recommendation.

STATE OF CALIFORNIA
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SCHEDULE A — COMPARATIVE BALANCE SHEET

COMPANY NAME	SBE NO.

BALANCE AT BEGINNING OF 2006	ASSETS		BALANCE AT END OF 2006
$	Plant and equipment		$
	Accumulated depreciation – plant, prop. and eq. [a]		
	Accumulated depreciation – licensed vehicles [a]		
	Accumulated depreciation – exempt software [a]		
	Accumulated depreciation – non operating prop. [a]		
	Miscellaneous physical property [a]		
	Accumulated depreciation – misc. property [a]		
	Investments in securities		
	Other investments		
	Sinking and other funds		
	Other utility plant		
	Cash and working funds		
	Temporary cash investments and special deposits		
	Notes receivable		
	Accounts receivable		
	Interest, dividends, and rents receivable		
	Materials and supplies [a]		
	Inventory held for sale or lease in ordinary course of business [a]		
	Discount on capital stock		
	Discount and expense on funded dept.		
	Prepayments		
	All other deferred debits *(describe)*		
$	**TOTAL ASSETS AND OTHER DEBITS**		$

	LIABILITIES	
$	Capital stock	$
	Premiums and assessments on capital stock	
	Funded debt unmatured	
	Capital stock expense	
	Other long term debt	
	Loans and notes payable	
	Accounts payable	
	Matured interest and dividends	
	Taxes accrued	
	Customer deposits and advances	
	Other current and accrued liabilities	
	Premium on long term debt	
	Deferred income taxes	
	Other reserves	
	Employees' provident reserve	
	Other deferred and unadjusted credits	
	Retained earnings	
$	**TOTAL LIABILITIES AND OTHER CREDITS**	$

Note: [a] *Interstate companies show California end-of-year amount in box.*

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SCHEDULE B — TELEPHONE PLANT

COMPANY NAME

SBE NO.

TELEPHONE PLANT IN CALIFORNIA		BALANCE BEGINNING OF 2006	ADDITIONS	RETIREMENTS	BALANCE END OF 2006
2111	Land (1)	$	$	$	$
2112	Motor Vehicles				
2113	Aircraft				
2114	Special Purpose Vehicle				
2115	Garage Work Equipment				
2116	Other Work Equipment				
2121	Buildings				
2122	Furniture				
2123.1	Office Support Equipment				
2123.2	Company Communication Equipment				
2124	General Purpose Computers				
2211	Analog Electronic Switching				
2212	Digital Electronic Switching				
2215	Electro-Mechanical Switching				
2220	Operator Systems				
2231.1	Satellite and Earth Station Facilities (2)				
2231.1	Satellite and Earth Station Facilities				
2231.2	Other Radio Facilities				
2232	Circuit Equipment				
2311	Station Apparatus				
2321	Customer Premises Wiring				
2341	Large Private Branch Exchanges				
2351	Public Telephone Terminal Equipment				
2362	Other Terminal Equipment				
2411	Poles				
2421	Aerial Cable				
2422	Underground Cable				
2423	Buried Cable				
2424	Submarine Cable				
2425	Deep Sea Cable				
2426	Intrabuilding Network Cable				
2431	Aerial Wire				
2441	Conduit Systems				
2681	Capital Leases				
2682	Leasehold Improvements				
2690	Intangibles (Organization, etc.)				
	SUBTOTAL				
2002	Property Held for Future Telephone Use				
2004	Telephone Plant Under Construction — Short-term				
2004	Telephone Plant Under Construction — Long-term				
2006	Telephone Plant Adjustment				
2006	Nonoperating Plant				
2007	Goodwill				
1220	Materials and Supplies				
1406	Nonregulated Investments				
	Retired Property Still in Place				
	Telephone Plant in California				
	Telephone Plant in Other States				
	TOTAL SYSTEM				

(1) If additions and/or retirements are reported, the BOE-551, Statement of Land Changes, must be filed with the Valuation Division.
(2) Include cost of airborne satellite here. All other costs (ground spares, earth stations, etc.) should be reported as individual items.

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SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (1 of 5)

INTERSTATE COMPANIES: *Prepare a separate Schedule B-1 for California and for Total System (if applicable).*

Check one: ☐ **CALIFORNIA** ☐ **SYSTEM**

COMPANY NAME	SBE NO.

ORIGINAL COST

CAL.YEAR OF ACQ.	BUILDINGS 2121	FURNITURE 2122	OFFICE SUPPORT EQUIPMENT 2123.1	GENERAL PURPOSE COMPUTERS 2124	COE-SWITCHING ANALOG 2211	COE-SWITCHING DIGITAL 2212	COE-SWITCHING ELECTRO—MECH. 2215
2006							
2005							
2004							
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TOTAL							

STATE OF CALIFORNIA
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SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (2 of 5)

INTERSTATE COMPANIES: *Prepare a separate Schedule B-1 for California and for Total System (if applicable).*

Check one: ☐ **CALIFORNIA** ☐ **SYSTEM**

COMPANY NAME	SBE NO.

ORIGINAL COST

CAL.YEAR OF ACQ.	MISC. WORK, EQ. (EXCLUDING LIC. VEH.) 2114, 2115, 2116	CO. COMM. EQ. PUB. TEL. TERM. EQ. 2123.2, 2351	OPERATOR SYSTEMS 2220	RADIO SYSTEMS 2231	CIRCUIT EQUIPMENT ANALOG 2232	CIRCUIT EQUIPMENT DIGITAL 2232	CUSTOMER PREMISES WIRING 2321
2006							
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TOTAL							

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SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (3 of 5)

INTERSTATE COMPANIES: *Prepare a separate Schedule B-1 for California and for Total System (if applicable).*

Check one: ☐ **CALIFORNIA** ☐ **SYSTEM**

COMPANY NAME	SBE NO.

ORIGINAL COST

CAL.YEAR OF ACQ.	OTHER ORIG. & TERM EQUIP. 2311, 2341, 2362	POLES 2411	AERIAL CABLE METALLIC 2421	AERIAL CABLE NON-METALLIC 2421	UNDERGROUND CABLE METALLIC 2422	UNDERGROUND CABLE NON-METALLIC 2422	BURIED CABLE METALLIC 2423
2006							
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Prior							
TOTAL							

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SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (4 of 5)

INTERSTATE COMPANIES: *Prepare a separate Schedule B-1 for California and for Total System (if applicable).*

Check one: ☐ **CALIFORNIA** ☐ **SYSTEM**

COMPANY NAME	SBE NO.

ORIGINAL COST

CAL.YEAR OF ACQ.	BURIED CABLE NON-METALLIC 2423	SUBMARINE CABLE METALLIC 2424	SUBMARINE CABLE NON-METALLIC 2424	DEEP SEA CABLE METALLIC 2425	DEEP SEA CABLE NON-METALLIC 2425	INTRABLDG NETWK CABLE METALLIC 2426	INTRABLDG NETWK CABLE NON-METALLIC 2426
2006							
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Prior							
TOTAL							

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SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY AS OF JANUARY 1, 2007 (5 of 5)

INTERSTATE COMPANIES: *Prepare a separate Schedule B-1 for California and for Total System (if applicable).*

Check one: ☐ **CALIFORNIA** ☐ **SYSTEM**

COMPANY NAME	SBE NO.

ORIGINAL COST

CAL.YEAR OF ACQ.	AERIAL WIRE 2431	CONDUIT SYSTEMS 2441	LEASEHOLD IMPROVEMENTS 2682	CAPITAL LEASES DESCRIBE ________ 2681	OTHER DESCRIBE ________	OTHER DESCRIBE ________
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TOTAL						

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SCHEDULE C — COMPARATIVE OPERATING INCOME STATEMENT

COMPANY NAME	SBE NO.

ACCOUNT TITLE	ACCOUNT NUMBER	2006 CALENDAR YEAR	2005 CALENDAR YEAR
OPERATING REVENUES			
Local service revenues	5000 series		
Access revenues	5080		
Long distance revenues	5100		
Miscellaneous revenues	5200		
Uncollectible revenues	5300		
Total Operating Revenues			
OPERATING EXPENSES			
Specific operating expense (1)	6100		
Nonspecific operating expense (1)	6500		
Customer operating expense (1)	6600		
Corporate operating expense (1)	6700		
Other operating income & expense	7100		
Total Operating Expenses			
OPERATING TAXES			
Federal income tax	7220		
State & local income tax	7230		
Property tax	7240		
All other tax	7240		
Deferred income tax	7250		
Total Taxes			
NONCASH EXPENSES			
Depreciation			
Amortization			
Other (describe)			
Total Expenses			
NET OPERATING INCOME			

(1) Report depreciation separately.

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SCHEDULE D — COMPARATIVE STATEMENT OF INCOME

COMPANY NAME	SBE NO.

	2006 CALENDAR YEAR	2005 CALENDAR YEAR
Net operating income (from Schedule C)	$	$
Net income from other operations		
Other income		
Revenues from non-operative physical property		
Other income		
Total		
Income deductions		
Depreciation on non-operative physical property		
Taxes on non-operative physical property		
Other expenses of non-operative physical property		
Interest		
Other income deductions		
Total		
Net income	$	$

SCHEDULE E — COMPARATIVE STATEMENT OF DEFERRED INCOME TAXES

	ACCOUNT NO.	BALANCE AT END OF 2006	BALANCE AT END OF 2005
OPERATING			
PROPERTY RELATED			
Net Current Operating Income Taxes	4100		
Net Noncurrent Operating Income Taxes	4340		
Total			
NONPROPERTY RELATED			
Net Current Operating Income Taxes	4100		
Net Noncurrent Operating Income Taxes	4340		
Total			
Total Deferred Operating Income Taxes			
NONOPERATING			
PROPERTY RELATED			
Net Current Nonoperating Income Taxes	4110		
Net Noncurrent Nonoperating Income Taxes	4350		
Total			
NONPROPERTY RELATED			
Net Current Nonoperating Income Taxes	4110		
Net Noncurrent Nonoperating Income Taxes	4350		
Total			
Total Deferred Nonoperating Income Taxes			

Note: *You may substitute ARMIS USOA Report (FCC Report 43-02), Schedules B-11 and B-12, "Net Deferred Income Taxes" for Schedule E.*

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